

INFORMATION BULLETIN

WORKFORCE INVESTMENT ACT

Number: WIAB02-9

Date: August 14, 2002

Expiration Date: 6/30/03

69:128:jp:5950

TO: WORKFORCE DEVELOPMENT COMMUNITY

SUBJECT: LWIA ADMINISTRATORS' QUARTERLY MEETING MINUTES—
JUNE 14, 2002

The minutes and agenda from the Local Workforce Investment Area (LWIA) Administrators' Quarterly meeting held at the Radisson Hotel in Sacramento on Friday, June 14, 2002, are attached for your review and information. Please ensure that the minutes are provided to the appropriate staff.

If you have any questions regarding the minutes, please contact Jeannie Pryor at (916) 654-8035 or James Scholl at (916) 657-4610.

/S/ BILL BURKE
Chief
Workforce Investment Division

Attachments

LOCAL WORKFORCE INVESTMENT AREA ADMINISTRATORS' QUARTERLY MEETING

The Radisson Hotel
500 Leisure Lane
Sacramento, CA 95815

Friday, June 14, 2002

Agenda

8:30 a.m.	Welcome/Hot Topics	Bill Burke, Workforce Investment Division (WID)
9:00 a.m.	California Workforce Investment Board (CalWIB) Report	David Militzer, CalWIB
9:45 a.m.	Year End Decisions/Rescission	Bill Burke, WID
10:15 a.m.	Break	
10:30 a.m.	Performance Negotiations	Liz Clingman, WID
11:00 a.m.	Open Discussion	
11:45 a.m.	Adjourn	

LOCAL WORKFORCE INVESTMENT AREA ADVISORY COMMITTEE CONFERENCE CALL MINUTES

Friday, June 14, 2002

Welcome/ Hot Topics—Bill Burke, Workforce Investment Division (WID)

- **Labor Agency Consolidation**—State legislation has moved the Employment Development Department (EDD), the Department of Industrial Relations, the Labor Board, and the California Workforce Investment Board, under the new Labor Agency. The tentative effective date is July 1, 2002, but could be as long as January 1, 2003. The Governor has not announced who will head the Agency.
- **Rapid Response 25 Percent Funding**—The purpose of this funding is to provide the Local Workforce Investment Areas (LWIA) with resources needed for Rapid Response activities through December 31, 2002. The State will get this funding into the subgrants before July 1, 2002. Applications for this bridge funding are due on June 28, 2002.
- **Expenditure Obligation**—Most of the LWIAs carried over Program Year (PY) 1999-2000 funds from the Job Training Partnership Act (JTPA), as well as two years of Workforce Investment Act (WIA) funds. The PY 1999-2000 funds must be fully expended by June 30, or they will be returned to the State. The PY 2001-2002 funds have a two-year life, of which 80 percent must be obligated by June 30 or they will be reallocated to other LWIAs. After two years, if these funds are not fully expended, they will be returned to the State and made available to the Governor's 15 percent account. The LWIAs should use the First In First Out accounting convention to expend the older funds.
- **Nurse Workforce Initiative**—The Governor announced a \$60 million Nurse Workforce Initiative that will be funded over a period of three years. The first major part of this initiative is the Solicitation for Proposals that was released on June 4. The Solicitation is three components rolled into one package totaling \$28 million. 1) The largest component is a \$24 million regional partnership approach that requires regional partnerships with at least one local workforce investment board involved. Employers, educators, and trainers, as applicable, as well as either laborer or employee advocacy groups are required to be partners in any application that is submitted. 2) The second component is \$3 million for Career ladders which will include innovative approaches working with employers to come up with ways to provide for higher-skilled, higher paying jobs in hospitals and acute care facilities. 3) The third component is \$1 million for workplace reforms. The State is looking for ways to provide better retention for nurses who are in the system, to give nurses who have left the system reason to return, and to show people interested in joining that field there are reasons to be there and to stay. Applicants are free to apply for any one of the three components, and may also mix and match. Four Bidder's conferences will be held; June 26 in Sacramento, July 3 in San Francisco, July 9 in Los Angeles, and July 10 in Costa Mesa.

- **Department of Labor (DOL) Employer Partnerships**—The DOL has created an office to strengthen relationships with nationwide employers, which include Home Depot and HCA (formerly Hospital Corporation of America). The HCA is offering scholarships in the healthcare field and is interested in a full range of healthcare occupations from Certified Nurses Assistants through Registered Nurses. The WID participated in a conference call with DOL and HCA on June 18. The HCA is interested in working with the workforce system to provide training participants to them. The HCA want to partner with the workforce system and are looking for a commitment from trainees to work for HCA for an unknown period of time. A meeting is being planned in Dallas on July 25.
- **Upcoming DOL Reviews**—The DOL Regional office is planning an on-site review at the State and local level of formula-funded Workforce Investment Act (WIA) programs. These reviews will begin the week of July 1 and are part of DOL's regional performance-related strategy. The DOL will review the Labor Market Information Program Grant, Welfare-to-Work programs, and the WIA mandated provisions related to adult, dislocated worker, youth, and Wagner-Peyser. A comprehensive financial management review would address all the above-referenced programs and financial reviews of Unemployment Insurance, the Work Opportunity Tax Credit, as well as the Labor Certification Programs. The DOL will work with State staff starting July 1 in Sacramento and will also meet with local staff associated with the formula programs. The DOL is proposing to visit several local areas including Sacramento, San Joaquin, Oakland, San Jose, Long Beach, Richmond, and Riverside.
- **Dislocated Worker Program**—During the week of July 8, the Office of the Inspector General (OIG) will be reviewing the dislocated worker program as related to the JTPA. The OIG will also be looking at the JTPA closeout in San Diego and Los Angeles City.

State Board Update—David Militzer, CalWIB

State Board Meeting—A Board meeting was held on May 30 following the California Workforce Association (CWA) Seminar on May 29. A packet of information regarding these meetings was handed out to the Administrators. A commitment was made by the Board to do whatever is possible for a better working relationship with the local areas. Three items of discussion were the Strategic Plan, policy actions, and reports to the Board:

- **Strategic Plan**—There are five broad strategic goals: 1) To ensure that all partners have the most timely, relevant information about changing workforce needs and investment opportunities, 2) to be an effective partner and advocate to bring system partners together, 3) create, nurture, and reward a culture of innovation, 4) to raise the quality of the field of practice in the performance of the overall workforce development system, and 5) to ensure administrative excellence, including compliance with WIA documents to support achievements of all strategic goals. The implementation strategies and activities that are going to support how the Board addresses these issues are very important. At the Board's next seminar, which will be an annual occurrence, the Strategic Plan will be reviewed.

- **Policy Actions**—The local area workgroup members assisted the Board in developing policy recommendations. These policies include, 1) local area non-performance, 2) a subsequent designation of temporary LWIAs, and 3) local workforce investment board re-certification. The Board is working with WID to develop the information bulletins and directives regarding these policies.
- **Workgroup Activities**—Megan Juring made a presentation regarding workgroups listed in the Strategic Plan. For additional information regarding these workgroups, the State Board's Strategic Plan is located on their Web site at www.calwia.org.
- **Farmworkers**—The Tulare County LWIA sponsored the first Farmworker Forum that was very successful, and will sponsor another Farmworker Forum on June 26. San Joaquin County will sponsor a Farmworker Forum on June 20.
- **California State University (CSU) Update**—The Board is actively trying to get UC and CSU involved in the economic development issues. The CSU believes their graduating students aren't as well prepared for the new economy as they would like. This becomes an opportunity to collaborate with CSU. Charlie Reed, Chancellor of CSU, has shown a real interest in working with the State Board.

Performance Negotiations—Liz Clingman, WID

There has been concern that this program year is finished and the final performance measures have not been given for this year. A renegotiation paper has been submitted to DOL. The national office has 30 days to respond to the State's request for renegotiation. The State has asked for renegotiation of the dislocated worker measures due to possible issues with retention and the wage replacement rate for the dislocated worker program. Most of the renegotiation concerns the out-year. The State has requested DOL hold some of the key, more challenging measures constant from PY 2001-2002 into PY 2002-2003. The State is at most risk on the older youth credential and has requested major reductions from 42 percent to 20 percent. For more information, please see Attachment 3 that was handed out at the meeting.

- **Collecting Data on Universal Access**—The DOL would like to establish additional data collection requirements around Universal Access. There are two areas DOL is looking closely at: 1) how many people are being served and not being registered within the system, and 2) cost sharing and the amount of money that's being spent on maintaining the Universal Access activities within the One-Stop. Two meetings are scheduled with DOL contractor, Mathematica, on June 25 in Los Angeles and June 26 in Sacramento. California needs the LWIAs to participate in these meetings.
- **Customer Satisfaction Reporting Requirements**—There are a total of 17 LWIAs complying with the Employer/Customer Satisfaction reporting requirements. It is important for all 50 local areas to enter Employer/Customer Satisfaction data into the system; the State of California will not be eligible for a federal incentive award if this does not happen. The WIA requires a survey within 60 days of the completion of the employer activity.

- **Year-end Performance Reporting**—Last year there was some confusion related to timeframes for submitting performance data into the system for inclusion in performance calculations for the Annual Report. The individual participant data reported to the State on July 20, will be the basis for the August 15 fourth quarter report to DOL. Once the fourth quarter report is completed, the Performance Management Unit will work with the State Board to complete the Annual Report that is due to DOL on December 1. The timelines are as follows: The data that are submitted to the State on August 20 will be the last match to the base wage file that will be returned to the local areas for supplemental data prior to completion of the Annual Report. The October 18 (October 20 is a Sunday) Individual Participant Data submission will be matched to the base wage file prior to computing the final numbers for the Annual Report; however, given the December 1 deadline to the DOL, there will not be sufficient time for submission of additional supplemental information. The cutoff date for the supplemental data is October 18. Only supplemental data transmitted to the State prior to the October 18 date will be included into the Annual Report. Also, note for the purpose of the Annual Report, the 13 performance measures evaluated through the base wage file are based on clients that exited the program between October 1, 2000, and September 30, 2001. The Diploma Rate, the Skill Attainment Rate, and the Customer Satisfaction measures are based on PY July 1, 2001, through June 30, 2002.
- **Eligible Training Provider Subsequent Eligibility**—For those of you who have not responded on subsequent eligibility; this is a reminder to respond as soon as possible. You may find this information in Directive [WIAD01-16](#), entitled *Eligible Training Provider List (ETPL)*.

Year-End Decisions and Issues—Bill Burke, WID

- **Rescission**—As of this date, there is no new additional information. The State anticipates DOL will communicate information on the Rescission sometime this summer. (Subsequently, DOL issued TEGL No. 26-01 Change 1, on June 26, 2002, that reduced California dislocated worker funding by \$23,003,656.)
- **Jim Curtis**, Chief of the Program Development and Management Division, is retiring after 33 years of State service. Jim is well known throughout the various communities and has lead teams through major disasters in this State. He is a man of great integrity and will be tremendously missed by all.
- **Intellectual Property**—Some intellectual products, i.e., software, have been developed with WIA funds. The Chief counsel for the Department has provided guidance indicating where federal funding has been provided; the State and the federal Government have proprietary interest.

Workforce Investment Act (WIA)
Performance Re-negotiation Proposal
Program Year (PY) 2001-02 and PY 2002-2003

I. Specific Re-negotiation Request

Table 1 below summarizes California's current performance re-negotiation request. In some cases we are asking for re-negotiation in only one of the two years. The requested revisions are in bold and italics.

Table 1. Performance Measures and Proposed Performance Levels for Re-negotiation

Performance Measure	Currently Negotiated Goal PY 2001	Proposed Goal for PY 2001	Currently Negotiated Goal PY 2002	Proposed Goal for PY 2002
Adult Entered Employment	68%	68%	70%	68%
Older Youth Entered Employment	56%	56%	58%	56%
Adult Retention Rate	76%	76%	78%	76%
Dislocated Worker Retention Rate	83%	83%	85%	83%
Older Youth Retention Rate	72%	68%	74%	68%
Dislocated Worker Wage Replacement Rate	86%	86%	88%	86%
Adult Employment and Credential Rate	50%	45%	60%	50%
Older Youth Credential Rate	42%	20%	45%	35%

The State is not requesting any change to the following goals:

- Adult Wage Gain
- Dislocated Worker Entered Employment
- Dislocated Worker Employment and Credential
- Older Youth Wage Gain
- Younger Youth Skill Attainment
- Younger Youth Retention
- Younger Youth Diploma Rate
- Employer or Participant Customer Satisfaction

II. Overview

The performance goals under discussion, including both PY2001-2002 and PY2002-2003, evaluate entered employment outcomes from January 2001 – December 2002 and employment retention and earnings between July 2001 through June 2003¹. Consequently, this analysis focuses, in most cases, on data for calendar years 2001 and 2002.

California is requesting changes in the currently negotiated performance levels because of changes in the economic conditions in the State and because of a changing demographic mix in the reported client population.

Economic Conditions

At the time the current performance goals were negotiated with the Department of Labor the California economy was strong and the outlook remained stable. The Nation and the State were experiencing almost unprecedented growth. This situation has changed.

The Nation, and California, entered an economic downturn about March 2001, and that event is exacerbated by the events of September 11, 2001. California's unemployment rate has risen from an annual rate of 4.9 percent in calendar year 2000 to a seasonally adjusted rate of 6.4 percent for April 2002. The Governor's official forecast expects unemployment to average over 6.0 percent through 2003, averaging 6.4 percent in 2002. Unemployment insurance claim activity is up substantially.

¹The performance period for the Unemployment Insurance Base Wage File measures is defined as follows: For the Annual Report PY 2001-2002, Adult, Dislocated Worker, and Older Youth performance is evaluated based on clients that exit between October 1, 2000 and September 30, 2001. The measurement period for Entered Employment is January 2001 through December 2001. For Retention and Wages the last measurement period is July 2001 through June 2002. Moving that out one more year, for the Annual Report for PY 2002-2003, the measurement timeframe for Entered Employment is January through December 2002, and for Retention and Wages July 2002 through June 2003.

Throughout most of 2000 unemployment insurance weeks claimed averaged less than 350,000 per month. Having risen steadily throughout 2001, average weeks claimed equaled 533,000 in February 2002, a 51% increase over February 2001. California Wage and Salary employment grew by 3.5% in 2000. Wage and Salary employment grew by 1.4% in 2001, and is forecast to decline by half a percent in 2002. Services employment is projected to be down by three-tenths of one percent in 2002. High technology employment is down 2.5 percent for 2001. This sector is currently forecast to drop by 7.1 percent in 2002. (These data are summarized on pages 15, 16, and 17 of this attachment.)

These weak economic conditions present a significant challenge for the WIA system. The hierarchical service structure under the WIA necessitates that the relatively harder to employ will be registered in the system. In this weak labor market obtaining high employment outcomes for individuals with barriers and a limited attachment to the labor market is more difficult.

Demographics

With system start up and the different enrollment strategies under the WIA as compared to the Job Training Partnership Act (JTPA), the statewide distribution of clients exiting the program has shifted. Table 2 below shows those local areas contributing the highest percentage of clients to California's performance for the Adult, Dislocated Worker, and the Older Youth Programs. These data do not display a definitive change toward higher risk areas; however, it does clearly indicate that the demographic distribution of the client base has changed. Given the diversity of California population, any change in the distribution of clients served will affect performance outcomes. The State's analysis suggests that the current changes result in lower performance outcomes in the Adult and Dislocated Worker programs by one to two percent with a more significant shift in the Older Youth Program.

Table 2. Changes in the distribution of Clients across Local Areas

ADULTS			
WIA Exits 10-01-00 to 09-30-01		<u>JTPA PY 1999-2000</u>	
<u>Local Area</u>	<u>Percent of Exits Statewide (%)</u>	<u>Service Delivery Area</u>	<u>Percent of Terminations Statewide</u>
Los Angeles City	26.0	Los Angeles City	12.9
Los Angeles County	9.3	Los Angeles County	8.7
San Diego	9.0	Fresno	7.6
Fresno	6.7	San Diego	7.4
		San Bernardino County	5.1
		Kern/Inyo/Mono	4.6
		Tulare	4.0
<i>Total</i>	<i>51.0</i>	<i>Total</i>	<i>50.3</i>
DISLOCATED WORKERS			
WIA Exits 10-01-00 to 09-30-01		<u>JTPA PY 1999-2000</u>	
<u>Local Area</u>	<u>Percent of Exits Statewide (%)</u>	<u>Service Delivery Area</u>	<u>Percent of Terminations Statewide</u>
Los Angeles City	17.4	Los Angeles City	12.6
Los Angeles County	7.8	Los Angeles County	11.3
San Diego	6.1	Fresno	7.6
Orange	5.1	San Diego	6.1
San Jose	4.6	Orange County	5.4
Kern/Inyo/Mono	4.6	Kern/Inyo/Mono	4.1
Fresno	4.1	San Bernardino County	4.0
<i>Total</i>	<i>49.7</i>	<i>Total</i>	<i>51.1</i>

(continued) Table 2. Changes in the distribution of Clients across Local Areas

OLDER YOUTH			
WIA Exits 10-01-00 to 09-30-01		<u>JTPA PY 1999-2000</u>	
<u>Local Area</u>	<u>Percent of Exits Statewide (%)</u>	<u>Service Delivery Area</u>	<u>Percent of Terminations Statewide</u>
Los Angeles County	12.2	Los Angeles City	19.5
Los Angeles City	9.7	San Diego	7.9
Tulare	8.9	Los Angeles County	7.5
San Bernardino County	8.2	Fresno	7.4
Kern/Inyo/Mono	6.6	Kern/Inyo/Mono	6.4
San Diego	5.5	Tulare	4.7
<i>Total</i>	<i>51.1</i>		<i>53.4</i>

Continuous Improvement

The Workforce Investment system is beyond implementation, but it is not a stable system. In addition to the economic and demographic barriers to increased employment outcomes, the system is still “rethinking” itself. Partnerships continue to grow and new business structures are still being defined. Universal access during harder economic times brings more issues around priority of service. The local areas are striving to implement better-integrated One-Stop systems. In addition, the Eligible Training Provider List, that moves the system away from established contractor relationships (as under JTPA), continues to challenge the system. California will be accountable for and will continue to hold its local entities to high client outcome goals. But, by easing some of the pressure for even higher performance outcomes, the State hopes to increase management of client services and the system rather than the current situation in which performance is managing the system.

It is important to acknowledge that system improvement is not only demonstrated through improved client outcomes. California is striving to maintain client outcomes under more adverse conditions while improving program efficiency (serving more participants) and product quality.

III. Explanation for Specific Changes

Adult Entered Employment and Adult and Dislocated Worker Retention

California is requesting no change in the current year Adult Entered Employment goal or the Adult and Dislocated Worker Retention goals. The State is asking that these goals be unchanged for PY 2002-2003.

Currently, California is meeting the Adult Entered Employment goal and the Adult and Dislocated Worker Retention goals. However, this is based on incomplete data and we believe that weak economic conditions support maintaining the current performance levels through PY 2002-2003. We are concerned that the State's performance outcomes do not yet reflect the full effect of the State's slow economy, particularly the decline in service sector and high technology employment. It is important to note that some of the current data are prior to the beginning of the economic downturn and almost all is pre-September 11th.

Both the State and our local boards support the fact that, in the best of all worlds, clients should remain in our system until entered employment may be assured; however, in these challenging economic times this is a difficult standard to maintain. There is greater pressure on a system with limited resources to serve more clients and increasing caseloads encourage the exit of clients. Realistically, despite conscientious efforts to maintain client contact, the protracted time needed to place a client with barriers sometimes results in losing contact with the client.

To some extent retention is an even harder goal to maintain during weak economic times. The risk of a client losing a job after exit increases and the service provider's contact with the client is weaker after exit. California, to support employment retention, requires the local areas and contractors receiving the Governor's 15% funds, to follow-up with clients for four quarters after exit. This has helped the State maintain relatively high levels of employment retention; however, it cannot guarantee continued increases in employment retention.

Adult Credential Rate

The local boards have had difficulty developing effective systems to capture credential information. State staff provided technical assistance in this area during the current program year. Also, we understand that as the local boards have moved beyond the basics of WIA implementation, they are looking more closely at client service policies such as credentials.

The Adult Credential Rate has increased significantly this year from 13% in PY 2000-2001 to a currently reported level of almost 50%. California would like a slightly lower rate for this program year to 45% with the commitment to strive to increase the rate to 50% for PY 2002-2003.

Dislocated Worker Wage Replacement

California is asking that the Dislocated Worker Wage Replacement goal remain unchanged in PY 2002-03.

In many of California's local areas high technology workers in transition dominate the Dislocated Worker program. The Governor's economic forecast predicts a 7.1% decline in this industry during 2002 with very few high wage replacement jobs in the immediate outlook. Providing transition assistance to these workers will make obtaining a high wage replacement rate difficult. If one accepts the premise that performance goals do, and should, encourage certain behavior within the system, then requiring a high wage replacement rate will have the adverse effect of discouraging local staff from enrolling and serving very high wage dislocated workers.

As the table below shows, many of the California's labor markets with a high percentage of technology workers have marginal wage replacement rates.

Table 3. Wage Replacement in Selected High Technology Areas in California

Local Area	Current Wage Replacement Rate
Anaheim	67%
North Santa Clara Valley (NOVA)	86%
Orange	93%
San Diego	88%
San Jose City	85%
Sonoma	83%

Older Youth Entered Employment and Retention

Historically, during weak economic times youth employment is harder hit than other age groups. Attachment 2 displays the effect the declining economic conditions are having on the employment of young people in the State. As you can see, unemployment for young people 16-19 in relation to total unemployment and unemployment of prime age workers is comparable to that seen in the recession of the early 1990s.

In addition, the rise in the minimum wage in California in January 2001, coupled with the economic down turn, may further limit the availability of entry level jobs frequently taken by young workers. During stronger economic times, an increase in the minimum wage may very well generate jobs through increased spending, however, this effect may be less likely under weaker economic conditions.

Older Youth Employment and Credential

California requests that the Older Youth Credential Rate be lowered to 20 percent for PY 2001-02 with a proposed increase from PY 2001-2002 to PY 2002-2003 to 35 percent. The State believes that the achievement of lower than expected credential rates is more related to program design and measurement rather than lack of performance.

The State and our local boards acknowledge the need to obtain credentials for the young adults served by the WIA program. However, there are two issues that are driving the Older Youth Credential Rate down. First, all older youth, not just those that are enrolled in a training program, are included in the Older Youth Credential Rate. This in itself may incorrectly inflate the denominator and drive the rate down. Second is a service mix issue. By definition (eligibility requirements), young people between 19 and 21 served through the Youth funding stream, as opposed to the Adult program, are likely to have greater barriers to employment. The focus of the intervention is likely to be on academic skills and occupation and work readiness skills rather than formal training classes; and, although completion of these activities may merit a credential, discussions with our local board representatives suggest that these activities do not. The focus at the local level has been on certifications tied to structured training that in turn is directly tied to employment.

Table 4 below provides a few statistics to demonstrate the barriers faced by Older Youth compared to the Adult clients.

Table 4. Characteristics of Older Youth Compared to Adults (PY 2000-01)

Characteristic	Older Youth	Adults
Received Training	7%	40%
Single Parent	20%	23%
Offender	15%	12%
Pregnant and Parenting	28%	0%
Basic Skills Deficient	71%	37%

CALIFORNIA UNEMPLOYMENT RATES (Monthly figures are seasonally adjusted)				
1998		5.9%		
1999		5.2%		
2000		4.9%		
2001		5.3%		
2002				
January		6.4%		
February		6.2%		
March		6.5%		
April		6.4%		
<i>Source: California Employment Development Department</i>				

CALIFORNIA WAGE AND SALARY EMPLOYMENT (In thousands, seasonally adjusted)				
		Year-Over		
	Number	% change		
1998	13,596	3.6		
1999	13,992	2.9		
2000	14,488	3.5		
2001	14,697	1.4		
2002				
January	14,671.7	-0.4		
February	14,664.6	-0.4		
March	14,672.0	-0.3		
April	14,666.7	-0.4		
<i>Source: California Department of Finance</i>				

**CALIFORNIA ECONOMIC FORECAST
SELECTED ECONOMIC INDICATORS**

				Forecast			
			%		Percent		%
		2001	Chng	2002	change	2003	Chng
Personal income (\$ billions)		\$1,116.6	2.0%	\$1,133.5	1.5%	\$1,201.3	6.0%
Nonfarm W&S employment		14,619	0.9%	14,538	-0.5%	14,846	2.1%
	(In Thousands)						
Mining		24	3.5%	24	-1.0%	23	-2.7%
Construction		761	4.8%	745	-2.2%	746	0.1%
Manufacturing		1,887	-3.1%	1,803	-4.5%	1,847	2.4%
High technology		505	-2.5%	469	-7.1%	485	3.3%
Transportation/utilities		744	0.1%	719	-3.4%	742	3.2%
Whlse & retail trade		3,323	0.9%	3,332	0.3%	3,416	2.5%
Finance group		841	2.5%	856	1.8%	881	2.9%
Services		4,655	0.9%	4,643	-0.3%	4,772	2.8%
Government		2,383	2.8%	2,417	1.4%	2,420	0.1%
Unemployment rate		5.3%		6.4%		6.1%	
Housing permits (thousands of units)		149	-0.2%	153	2.7%	148	-3.1%
Consumer price index (1982-84=100)		181.8	4.0%	186.0	2.3%	190.8	2.6%
<i>Forecast based on data available as of April 2002.</i>							
<i>Source: California Department of Finance</i>							

COINCIDENT INDICATORS OF ECONOMIC CONDITIONS										
									Unemployment	
			Nonagricultural			Manufacturing		Unemployment	Average	
			Employment			Employment		Rate	Wks Claimed	
			(Thousands)			(Thousands)		(Percent)	(Thousands)	
2000	Jan		14,247			1,927		5.0	354	
	Feb		14,300			1,929		5.0	345	
	Mar		14,343			1,932		5.1	348	
	Apr		14,391			1,939		5.0	336	
	May		14,461			1,945		5.1	328	
	Jun		14,497			1,951		5.1	331	
	Jul		14,523			1,951		5.1	337	
	Aug		14,557			1,953		5.0	341	
	Sep		14,585			1,956		4.9	315	
	Oct		14,603			1,958		4.8	339	
	Nov		14,631			1,963		4.8	347	
	Dec		14,683			1,969		4.7	315	
2001	Jan		14,727			1,970		4.7	347	
	Feb		14,718			1,964		4.7	353	
	Mar		14,720			1,958		4.8	353	
	Apr		14,720			1,934		5.0	385	
	May		14,710			1,921		5.1	419	
	Jun		14,689			1,904		5.2	420	
	Jul		14,702			1,896		5.3	457	
	Aug		14,722			1,885		5.5	482	
	Sep		14,700			1,873		5.7	481	
	Oct		14,690			1,861		5.9	551	
	Nov		14,646			1,848		6.1	517	
	Dec		14,657			1,844		6.1	503	
2002	Jan		14,672			1,843		6.4	501	
	Feb		14,667			1,839		6.1	533	
Source: California Department of Finance, June 2002										